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Sweden and Switzerland are slowly winning the war against cash, but the fight is not over yet

Introduction In an era of mounting digital threats, physical currency is reemerging not as an outdated relic, but as a fundamental pillar of secure and accessible payment systems. Both Sweden and Switzerland are currently taking legislative steps to reverse the trend of total digitalization and ensure that cash remains a permanent fixture of their economies. While these nations were once at the forefront of the cashless movement, they are now leading a global rethink on the necessity of tangible money.

Sweden's Strategic Shift Toward Resilience

Sweden, formerly a pioneer in cashless innovation, is now actively prioritizing payment system safety. For years, mobile applications like Swish dominated the market, leaving Sweden with one of the lowest amounts of cash in circulation globally. However, in 2024, amid concerns regarding geopolitical instability, power outages, and cybersecurity, Swedish officials launched a comprehensive Cash Inquiry.

One of the primary proposals from this inquiry is a legal requirement for businesses providing essential goods and services to accept cash. This mandate would apply to:

- Supermarkets and grocery stores.
- Health centers and pharmacies.
- Entities charging fees under public law.

Erik Thedéen, Governor of the Riksbank, has asserted that citizens must always have the option to pay for food and healthcare both digitally and with cash. Furthermore, the Swedish Defense Ministry has issued guidance advising households to maintain at least a

one-week supply of banknotes to prepare for potential cyberwarfare or electronic banking failures.

Expanding Banking Accountability in Sweden The Riksbank is also advocating for banks to take greater responsibility for the cash infrastructure. Proposed legislative measures would require banks to provide private individuals with access to basic services, such as depositing banknotes, and ensure that businesses can easily access petty cash. These steps are designed to strengthen a cash infrastructure that the central bank currently describes as vulnerable.

Switzerland's Constitutional Movement Switzerland is experiencing a similar clash over the future of money. Although card and mobile payments are increasingly popular, the Swiss Liberty Movement successfully submitted over 100,000 signatures to force a public referendum on the Cash is Liberty initiative. If passed, this measure would permanently enshrine the acceptance and circulation of Swiss franc coins and banknotes in the national constitution.

While the national government initially introduced a counterproposal to block the amendment, the lower house of parliament overwhelmingly rejected the government's interference. Supporting this sentiment, Martin Schlegel, President of the Swiss National Bank, recently highlighted the unique reliability of cash during technical failures and unveiled plans for a new series of franc banknotes.

The Importance of Continued Vigilance Despite the successes of 2025, proponents of cash emphasize that the trend toward digitalization continues to pose risks of exclusion and fragility. Several factors could still shift the balance back toward a fully digital economy:

- **The Digital Euro: Sweden's central bank is closely monitoring the development of the digital euro, expected in 2029, which may**

force a reconsideration of the e-krona to maintain compatibility with European payment systems.

- **Stablecoins and Fintech: The rapid growth of stablecoins in the United States and the influence of Switzerland’s "Crypto Valley"—home to over 1,000 fintech companies—continue to drive digital currency initiatives.**
- **Global Innovation: As nations balance innovation with preparedness, the pressure to adopt central bank digital currencies remains high.**

Conclusion The recent developments in Sweden and Switzerland illustrate a growing recognition that cash is vital for national resilience. While significant legislative wins were achieved in 2025, maintaining financial choice and transactional freedom will require ongoing awareness as the global payment landscape changes.

To understand these shifts, one might think of a modern economy like a high-tech smart home. While digital systems offer incredible convenience, cash acts as the manual override and the backup generator; it ensures that even when the power goes out or the system is hacked, the basic functions of life—buying food, medicine, and safety—remain accessible to everyone.